

Statements placed on the Table.

Mr. K Krishna Pisharodi.—Sir, Under Rule 51 of the Legislative Council Rules, I beg to place on the Table the following Statement of demands restored by the Government under Section 16 (8) of the Legislative Council Regulation VIII of 1098 in the Budget Estimate for the year 1104 as passed by the Council.

Item No.	Amount	Remarks
27. Public Works Department. — Buildings. Original works.	Rs. 20,000 Acquisition of sites to the north of the European Nurses' Quarters in the General Hospital, Ernakulam.	The Diwan, by virtue of the powers conferred on him by Section 16 (8) of the Legislative Council Regulation, declared that this is essential to the discharge of the responsibilities of the Government and it has, therefore, been restored.

Sir, Under Rule 52 of the Legislative Council Rules, I beg to place on the Table the following Statement of expenditure authorised by Government under Section 16 (9) of the Legislative Council Regulation, VIII of 1098.

Item	Amount	Remarks
15. Law and Justice. — (2) District Courts Travelling allowance.	Rs. 100	The allotment was found insufficient to meet the actual requirements of 1103 and an additional grant of Rs. 100 had to be sanctioned that year urgently.
18. Education. (2) Collegiate Education. Furniture and Apparatus and Library allowance.	Rs. 2,500	The enhanced grant was mainly necessitated by the fluctuations of the market prices of goods ordered from Europe which had to be paid without delay; hence an additional allotment of Rs. 2,500 had to be sanctioned urgently for payment in 1103.
Travelling allowance.	Rs. 250	The main reason necessitating the enhanced grant last year was the reversion of one of the Professors to British Service, etc., and the payment of these could not be delayed.

Field Games, Cleaning charges, Office expenses, &c.	Rs. 600	The provision made last year for meeting these charges was found insufficient to pay off the actual dues of 1103 and hence an additional grant of Rs. 600 had to be sanctioned for payment urgently that year.
23. Sanitation and Conservancy B. Rural Sanitation. Charges for the prevention of epidemics.	Rs. 1,000	The additional allotment of Rs. 1,000 sanctioned urgently in connection with the anti-plague campaign was soon exhausted and another additional allotment of Rs. 1,000 had to be urgently sanctioned for expenditure in 1103 itself in connection with the plague outbreak at Mattancheri.
Do	Rs. 2,000	The grant of Rs. 2,000 made in 1103 for the anti-plague campaign was found insufficient very soon. Since only the usual allotment of Rs. 600 was made in the current year under this head, there were no sufficient funds to meet the expenditure in connection with plague operations. An additional grant of Rs. 2,000 had, therefore, to be urgently sanctioned.

Mr. A. B. Salem.—These Statements are not to be discussed here nor am I going to discuss the same. May I know when the Standing Finance Committee of the Council is standing for the whole year, what difficulty the Government has in placing these matters before the same and taking the opinion of the Committee? I mean only those items which are votable. Otherwise, there is no meaning in having a Standing Finance Committee. The Standing Finance Committee stands for the whole year, and we took particular care in nominating the non-official Members to such Committee, for all of them are from Ernakulam, so that the Government might have no difficulty or trouble to call it at very short notice. These are shot over their heads. We have got four meetings as the President said, and I do not think there was any difficulty in placing these before that Committee. We complained during the last Council meeting also that large amounts have been spent under this section and Statements placed.

President.—Was there any difficulty in placing all these before the Standing Finance Committee?

Mr. A. K. Vengu Ayyar.—Some of these items were very urgently needed, and we found we had not the time to take the

opinion of the Standing Committee. The Chief Medical Officer reported that a large amount was necessary on account of the plague at Mattancheri. It had to be urgently sanctioned.

President.—We must take also the opinion of the Committee in all possible cases. Cases of emergent expenditure as in this case may not be possible to be placed before the Committee.

Mr. A. K. Vengu Ayyar.—We were requested by the Chairman of the Municipality to supply him with funds within 3 days.

Mr. A. B. Salem.—I am sure that the amount was paid only 10 days after the application.

President.—That is more or less of an emergent nature.

Mr. A. K. Vengu Ayyar.—It was not intended to go behind the back of the Standing Finance Committee.

President.—All allotments have to be placed before the Committee. All chances of incurring expenditure under Section 16 (g) may be reduced, so that they might know the nature of the expenditure and the necessity for the same. So this fact may be noted for future guidance.

Mr. A. B. Salem.—I know that there was an interval of more than 10 days between the application from the Chairman of the Municipality and the sanctioning and sending of the money.

Mr. A. K. Vengu Ayyar.—But it has to go through very many channels.

Diwan Bahadur Dr. V. Verghese.—May I know whether the Council has got the power to discuss the matter? I understand that only such matters could be discussed which come for discussion in the Council.

Mr. A. B. Salem.—We are not discussing it at all.

Diwan Bahadur Dr. V. Verghese.—Then what is being done here?

Mr. A. B. Salem.—We are not discussing anything about this particular matter. We speak of all matters in general.

President.—This is an urgent matter.

Diwan Bahadur Dr. V. Verghese.—In an urgent matter like plague, it is impossible to call a meeting of the standing Committee and all that. It is I who moved the question of allotting money, and I got permission from the Government for the expenditure. We are not over-riding or trespassing upon the powers of the Standing Committee.

Mr. A. B. Salem.—All these things do not touch the point.

President.—What is pointed out is, in cases where it is possible to get the opinion of the Finance Committee, why don't you do it?

Diwan Bahadur Dr. V. Verghese.—Is it necessary, Sir, that, on all questions of expenditure, the opinion of the Committee must be taken?

Mr. A. K. Vengu Ayyar.—We are doing it as far as possible; we do it also on all possible occasions.

President.—Suppose you are going to incur an expenditure 15 days hence and there is no Council meeting in the meanwhile. You should not be under the impression that it is only when the Council meets that there should be a meeting of the Standing Finance Committee. You can call for a meeting of the Standing Finance Committee at any time the Government wants. That is the point. It is not necessary that you should either incur the expenditure or put off for some more time and then place it before a Standing Finance Committee meeting which is generally called before a Council meeting. (*Hear, hear.*) After all, it is only an advisory body. They may give their views either by way of curtailing the expenditure or allowing the same. In the Regulation itself it is said 'wherever possible it may be done'.

Diwan Bahadur Dr. V. Verghese.—I do not think there are rules to that effect so far as I know.

Mr. C. Barton Wright.—In the case of urgent matters like plague, Government cannot wait.

President.—In the case of plague it is all right.

Mr. A. B. Salem.—Nobody asked the Government to wait.

President.—I was stating that emergent cases must be got through without reference to the Standing Finance Committee; that is an admitted proposition. In cases where there is sufficient time for consideration, why don't you convene the meeting and then place all the relevant facts before the Committee, take them into your confidence and pass the expenditure? Is there any rule that the Standing Finance Committee can be convened only in connection with a meeting of the Council?

Mr. A. B. Salem.—That is all what I submit.

Dr. A. R. Menon.—They cannot plead ignorance about it. We raised this point last time also on a similar ground, and the Secretary gave a similar answer, that there was no rule that the Government should resort to the Standing Finance Committee, and I asked him in return whether there was any rule that the Government could do it without consulting the Standing Finance Committee. There is nothing of that sort in the rules. There is nothing against the procedure that all matters may be placed before the Committee. Since they repeat the same, it wounds our feelings. If there is no section or no rule that they

should take the opinion of the Standing Finance Committee, then why should there be a Standing Finance Committee? That is my point.

President.—As regards the expenditure for plague, it was considered emergent. There was no time to call a meeting of the Standing Finance Committee and obtain their views. Hereafter, I suppose it will be the rule that, where there is time for consultation, meetings will be convened and the matter placed before them.

Diwan Bahadur Dr. V. Verghese.—But when the Government is perfectly satisfied that the expenditure has to be incurred, there is no real necessity for consulting the Committee. In a doubtful matter I should think that ought to be consulted. But where the Government is satisfied and perfectly certain, the Committee need not be consulted.

President.—Government might consider the expenditure absolutely necessary, and that would amount to coming to an ex parte conclusion. When you place all the relevant facts before the Standing Committee, they might have new facts, and who knows that, after all, the expenditure is really necessary? Don't you see that, if we incur the expenditure, thinking it absolutely necessary, it will be only an ex-parte conclusion?

Dr. A. R. Menon.—When the Government is satisfied that the expenditure is absolutely necessary, the Government refuse to consult the Committee. You consider that the brain of the Government is so superior to that of us that, once they make a decision, it must be final and it must be right. It might be final, but it need not necessarily be right. At least we will point out to the Government that they are in the wrong, and I think we have a right as Members. What you now say is that you have come to a conclusion and that we must accept that. It is all absurd on the face of it.

Diwan Bahadur Dr. V. Verghese.—In the rules it is laid down "such matters as may be referred to it by the Government."

President.—The question here is, why should not Government refer to the Standing Finance Committee items of expenditure which are not of an urgent nature. Why not the Finance Committee have an opportunity to have their say in the matter? That is what I want to put forward.

Dr. A. G. Menon.—And that is our request also.

President.—All the members of the Standing Finance Committee are at Ernakulam. So in a moment's notice we can call them, and even in very urgent cases also, it may be possible for the Government to have their views. I suppose it would be noted that, hereafter, wherever it is possible, it is to be done.

Mr. A. K. Vengu Ayyar.—Yes, Sir.

Mr. A. B. Salem.—As against the advice of a Head of a Department, Government may have the advice of seven people ; that is the advantage.

Presidents' remarks regarding produce adopted.

President.—Hon'ble Members,

In accordance with what I mentioned in my opening remarks, I wish to make a brief statement regarding the nature and extent of the work before us. Before doing so, I trust that Members will have no doubt in agreeing with my considered opinion that, in the record of the recommendations of the Special Finance Committee, we have a document of far-reaching importance containing as many as 204 recommendations formulated for the final orders of the Government. I need hardly point out that the Members of the Special Finance Committee have paid very close attention to the subject with which they were asked to deal. There was a very careful and patient investigation. There was a full discussion and close reasoning. No pains have been spared to present an illuminating and comprehensive report dealing with all the points in as clear a manner as possible. The thanks of the Government are in no small measure due to the Committee for their valuable service. The scope of the inquiry entrusted to the Special Finance Committee was practically very wide. They were in fact engaged in the overhauling of the whole system of the income and the expenditure of the State. They had to deal with the items of income under various heads, the items of expenditure in connection with the establishment, travelling allowance and contingencies general and special and to lay down a scheme or a scale in their own language which would meet the requirements of a progressive administration for 10 years or more. It was indeed a very difficult task they had to perform. The terms of the reference have been set forth in the forefront of the main report, and I would not refer to them now. There was the main report to which all the Members of the Special Finance Committee have affixed their signature. There were besides separate notes prepared by three of the Members and appended to the report, namely, the notes of the Diwan Peishkar, Mr. Kasturi Ranga Ayyar, Mr. C. A. Kunjunni Raja and Mr. C. A. Ouseph. Into the further details of the report it is not now my present purpose to enter.

Apart from the fact that the questions dealt with by the Members of the Special Finance Committee relate to matters of general public importance, there is, it will be noted, the special circumstance that it was at the instance of this Council that this Special Finance Committee was constituted. During the first Budget Session of the First Council, prominent mention was